TRAINING COMPLETIONS FUND

FINANCIAL STATEMENTS

For the Year Ended March 31, 2015

PROVINCIAL AUDITOR
of Saskatchewan

INDEPENDENT AUDITOR'S REPORT

To: The Members of the Legislative Assembly of Saskatchewan

I have audited the accompanying financial statements of the Training Completions Fund, which comprise the statement of financial position as at March 31, 2015, the statement of operations and changes in net financial assets and the statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards for Treasury Board's approval, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Training Completions Fund as at March 31, 2015, and the results of its operations, changes in its net financial assets, and its cash flows for the year then ended in accordance with the Canadian public sector accounting standards.

Judy Ferguson

Regina, Saskatchewan
June 18, 2015

Judy Ferguson, FCPA, FCA
Provincial Auditor

1500 Chateau Tower - 1920 Broad Street Regina, Saskatchewan S4P 3V2
t 306.787.6398 f 306.787.6383 e info@auditor.sk.ca
www.auditor.sk.ca

Financial Statements

Statement 1

Training Completions Fund
Statement of Financial Position

As at March 31	2015	2014
Financial Assets		
Due from General Revenue Fund (Note 5)	$524,667	$510,228
Accounts Receivable	3,458	2,059
Interest Receivable	1,011	1,200
Total Financial Assets	**$529,136**	**$513,487**
Liabilities and Net Financial Assets		
Liabilities:		
Other (Note 6)	-	$18,188
Total Liabilities	**-**	**$18,188**
Net Financial Assets (Statement 2)	**$529,136**	**$495,299**

See accompanying notes to financial statements

Statement 2

Training Completions Fund
Statement of Operations and Changes in Net Financial Assets

For the Year Ended March 31	2015	2014
Revenue:		
Assessment Fees	$26,800	$20,226
Interest Income	4,662	5,002
Other (Note 7)	2,375	-
	$33,837	**$25,228**
Expenses:		
Student Compensation	-	$(287)
Bad Debt Expense	-	770
	-	**$483**
Surplus for the year	**$33,837**	**$24,745**
Net financial assets, beginning of year	495,299	470,554
Net financial assets, end of year - to Statement 1	**$529,136**	**$495,299**

See accompanying notes to financial statements

Government of Saskatchewan

Statement 3

Training Completions Fund
Statement of Cash Flows

For the Year Ended March 31	2015	2014
Cash Receipts from (used in) Operating Activities		
Receipts of Assessment Fees	$25,400	$19,400
Receipts of Bank Interest	4,852	5,085
Refund of Performance Bonds (Note 6)	(15,813)	-
Total Operating	**$14,439**	**$24,485**
Net Increase in Due from General Revenue Fund	$14,439	$24,485
Due from General Revenue Fund, Beginning of Year	510,228	485,743
Due from General Revenue Fund, End of Year	**$524,667**	**$510,228**

See accompanying notes to financial statements

Training Completions Fund
Notes to the Financial Statements

March 31, 2015

1. Overview of the Fund

The Training Completions Fund (Fund) was created under *The Private Vocational Schools Regulation Act, 1995.* The act was proclaimed on December 15, 1995.

The Fund is administered by the Ministry of Advanced Education. The revenue of the Fund consists of monies that operators are directed by regulations to provide, donations to the Fund and earnings from the investments of the Fund. The Fund is primarily used to provide the financial resources necessary to continue the training of students affected by the closure of a private vocational school.

2. Significant Accounting Policies

These financial statements are prepared in accordance with Canadian public sector accounting standards. The following accounting policies are considered significant:

a) Accrual Basis

The financial statements are prepared on the accrual basis of accounting.

b) Revenues

Assessment Fees and Interest Income are recorded in the period in which the transactions or events occurred that gave rise to the revenue.

c) Expenses

Student Compensation and Bad Debt expense are recorded in the period that the expense occurred.

d) Use of Estimates

The preparation of financial statements in conformity with Canadian public sector accounting principles requires management to make estimates and assumptions that affect reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the year. Actual results may differ from those estimates.

e) Financial Instruments

The Fund's financial instruments consist of Due from General Revenue Fund, Accounts Receivable, Interest Receivable and Other Liabilities. Due to the immediate or short-term nature, the carrying value of these financial instruments approximates their fair value.

3. Financial Instruments and Risk Management

Through its financial assets and liabilities, the Fund is exposed to various risks.

Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to discharge their responsibilities with respect to the financial instrument, and in so doing, cause a loss for the other party. For the Fund, there is credit risk with respect to the potential non-payment of accounts receivable.

The Fund's accounts receivable consists of assessment fees due from private vocational schools. The Ministry works with the schools to help ensure solvency and minimize financial losses to the Fund.

Interest Rate Risk

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate due to changes in market interest rates. Interest receivable is subject to interest rate risk.

Interest income is a small portion of the Fund's total revenue and increases or decreases in interest rates would not be expected to impact the Fund's operations.

Liquidity Risk

Liquidity risk is the risk that the Fund will encounter difficulty in meeting financial obligations as they fall due. An actuarial analysis commissioned by the Ministry indicates a liquidity risk for the Fund in the medium term (10 to 15 years). Regulatory amendments to mitigate the risk including increases to required operator contributions and increased financial security requirements were enacted in November, 2014.

4. Related Party Transactions

The Fund has not been charged with any administrative costs and no provision for such costs is reflected in these statements. These costs are borne by the Ministry of Advanced Education. Other related party transactions are disclosed separately in these financial statements.

5. Due from the General Revenue Fund

The monies of the Fund are deposited in the General Revenue Fund. The Fund's interest is calculated and paid from the General Revenue Fund on a quarterly basis using the Government's thirty-day borrowing rate and the Fund's average daily account balance. The Government's average thirty-day borrowing rate for the year ended March 31, 2015 is .92% (2014 – 1.02%).

6. Other Liabilities

The Fund administers performance bonds and other amounts provided by private vocational school operators. The performance bonds are required under *The Private Vocational Schools Regulation Act, 1995*, to guarantee obligations under student contracts, the Act and regulations.

Other liabilities represent the proceeds from performance bonds and refunds due to students provided by school operators that have not been paid out to satisfy student claims at year end. After all amounts have been paid out to satisfy student claims, the net balance of the proceeds, if any, will be repaid to the issuer.

During the year, the Fund refunded $15,813 (2014-$0) of unused performance bonds to the issuer.

7. Other Revenue

In the current fiscal year, the Fund returned to a bond issuer $2,375 (2014-$0) in unused performance bonds. The issuer refused receipt of the funds, and the returned money was retained in the Fund.